



**Exhibit to Data Center Services
Service Component Provider
Master Services Agreement**

DIR Contract No. DIR-DCS-SCP-MSA-002

Between

**The State of Texas, acting by and through
the Texas Department of Information Resources**

and

ACS State & Local Solutions, Inc.

**Attachment 2
Pricing and Financial Provisions**

May 1, 2012

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ATTACHMENT 2

PRICING AND FINANCIAL PROVISIONS

Update Methodologies and Attachments to Attachment 2

The following update methodologies and attachments are incorporated as part of **Attachment 2**:

Title	Methodology for Updating Associated Exhibit Attachments
<u>Attachment 2</u> Pricing and Financial Provisions	<u>Attachment 2</u> may only be modified by formal amendment, in accordance with <u>Section 21.7</u> of the MSA.
<u>Attachment 2-A</u> Service Provider Pricing Forms (Mainframe)	<u>Attachment 2-A</u> (Mainframe) may be updated in accordance with the provisions in <u>Attachment 2</u> . Any changes not provided for in <u>Attachment 2</u> shall be modified by formal amendment, in accordance with <u>Section 21.7</u> of the MSA.
<u>Attachment 2-A</u> Service Provider Pricing Forms (Server)	<u>Attachment 2-A</u> (Server) may be updated in accordance with the provisions in <u>Attachment 2</u> . Any changes not provided for in <u>Attachment 2</u> shall be modified by formal amendment, in accordance with <u>Section 21.7</u> of the MSA.
<u>Attachment 2-B</u> Financial Responsibility Matrix	<u>Attachment 2-B</u> may only be modified by formal amendment, in accordance with <u>Section 21.7</u> of the MSA
<u>Attachment 2-D</u> Resource Baselines	<u>Attachment 2-D</u> may be updated in accordance with the provisions in <u>Attachment 2</u> . Any changes not provided for in <u>Attachment 2</u> shall be modified by formal amendment, in accordance with <u>Section 21.7</u> of the MSA.
(i) <u>Attachment 2-E</u> Service Tier Matrix	<u>Attachment 2-E</u> updates are made in accordance with the version control procedures set forth in <u>Attachment 6-B</u> , Section 2.1, of the Service Management Manual

1. Introduction

This Exhibit describes the methodology for calculating the Charges for all of the Services provided during the WITO Period, unless otherwise expressly provided in the Agreement. In addition, this Exhibit describes the measurement and tracking of resource utilization.

All capitalized terms used and not defined in this Exhibit shall have the same meanings given them in the Agreement and other Exhibits.

2. Accuracy, Completeness and Interpretation

Service Provider shall be responsible for the accuracy and completeness of the operational and financial assumptions underlying its pricing, and if such assumptions are incorrect or incomplete, Service Provider shall not be entitled to adjust its pricing or any other terms of the Agreement.

All Charges calculated in accordance with this Exhibit shall be invoiced to DIR by Service Provider in accordance with the applicable invoice and payment provisions set forth in **Section 12** of the Agreement.

Unless otherwise specified, (i) Section or Attachment references in this Exhibit refer to the Sections of or Attachments to this Exhibit, respectively, and (ii) Exhibit references in this Exhibit are to Exhibits of the Agreement.

3. Monthly Base Charges

The Monthly Base Charges for the WITO Period are set forth in **Attachment 2-A** and are the fixed charges to DIR for Service Provider's provision of the Services in accordance with the levels of Resource Unit (RU) usage included in the Monthly Resource Baselines set forth in **Attachment 2-D**. The Monthly Base Charges may only be modified by mutual consent of the parties. Service Provider acknowledges and agrees that the Monthly Base Charges together with the Interim Period Services Charge fully compensate Service Provider for providing the Services at the Resource Unit usage levels of the Monthly Resource Baselines. Service Provider shall invoice DIR on a monthly basis in accordance with **Section 12.1** of the Agreement. If the actual consumption of a Resource Unit in any month is greater or less than the applicable Monthly Resource Baseline, an Additional Resource Charge (ARC) or Reduced Resource Credit (RRC) shall be applied, as provided in this Exhibit. Service Provider acknowledges and agrees that the combined total of the Base Charge plus the ARC or minus the RRC fully compensate the Service Provider for providing the Services at the actual consumption volume of a Resource Unit in a month for all Resource Unit Categories inclusive of the Consolidated Data Centers and the Non Consolidated Service Locations. The Service Provider shall not impose any fixed or monthly required minimum fees or support level pricing for any Resource Baseline or at the

total contract level; in no event will DIR be required to pay Service Provider for volumes not consumed or utilized by DIR.

DIR will have the option of de-scoping the Unisys mainframe services in connection with HHSC, in exchange for a \$200,000 reduction in the Monthly Base Charge. In order to benefit from this reduction, DIR must notify ACS in writing of its intent to exercise the option on or before 5 pm Central Time, May 1, 2012. Once the option is exercised, it will be irrevocable.

4. Reserved

5. Resource Unit Measurement Methodology

Billable Resource Unit usage during the WITO Period is measured on a one time basis to determine DIR Customers' actual utilization of such Resource Units compared to the applicable Monthly Resource Baseline for purposes of calculating ARCs and RRCs. Billable Resource Unit usage for the WITO Period will be measured once, based on the April 2012's actual volumes, and will carry over into the May and June time periods. Service Provider shall be responsible for recording all ARCs and RRCs due, and for reflecting these amounts in each Monthly Invoice. Service Provider shall present all applicable ARCs and RRCs for a particular month in one Monthly Invoice in accordance with **Section 12.1** of the Agreement. Service Provider will calculate ARCs and RRCs using the applicable ARC rates and RRC rates for each Resource Unit Category.

Unless otherwise agreed to by the Parties, there will be no changes made to the Resource Unit Categories or to the Resource Baselines during the WITO Period.

6. Additional Resource Charges and Reduced Resource Credits (ARCs and RRCs)

DIR Customers' increased or decreased consumption of Resource Units (which will be determined based on April 2012 actual volumes) may result in ARCs or RRCs as set forth herein. After the completion of each month during the WITO Period, Service Provider shall calculate ARCs and RRCs as set forth in this Section based on the resource unit measurement methodology described in **Section 5** of this document. For the avoidance of doubt, the Actual Resource Units will not change throughout the WITO Period. Instead they will be based on April 2012 actual volumes.

. Service Provider shall be responsible for recording all ARC amounts due and RRC credits due, and for reflecting these amounts in the Monthly Invoice. The applicable ARC or RRC for each month shall be presented in one (1) invoice.

There shall be no change in the Charges otherwise payable to Service Provider during a given month unless the actual number of Resource Units for a Resource Unit Category (based on April actual volumes) exceeds or is less than the applicable Monthly Resource Baseline. In the event such actual use exceeds or is less than the

applicable Monthly Resource Baseline, Service Provider shall invoice DIR for an ARC or credit DIR a RRC, as applicable, as follows:

If DIR Customers' consumption of any Resource Unit is above the applicable Monthly Resource Baseline, DIR must pay the applicable ARC for each such Resource Unit at the applicable ARC rate, calculated as follows:

$$\text{ARC} = [(\text{Actual Resource Units}^* - \text{Monthly Resource Baseline}) \times \text{ARC rate}]$$

*Based on April 2012 actual volumes.

If DIR Customers' consumption of any Resource Unit is below the applicable Monthly Resource Baseline, DIR shall be credited the applicable RRC for each such Resource Unit at the applicable RRC rate, calculated as follows:

$$\text{RRC} = [(\text{Monthly Resource Baseline} - \text{Actual Resource Units}^*) \times \text{RRC rate}].$$

The unit rates for ARCs and RRCs will be symmetrical as set forth in Attachment 2-A (ACS ARC/RRC Rates).

7. Reserved

8. Reserved

9. Reserved

10. Transition and Transformation Charges

No Transition or Transformation milestones will be billable during the WITO Period.

11. Reserved

12. U.S. Dollars

All Charges are expressed and shall be paid in U.S. Dollars.

13. Charges for New Services

If and to the extent that DIR requests Service Provider to perform any New Services in accordance with the terms of the Agreement, the Charges shall be adjusted in accordance with the corresponding proposal submitted by Service Provider and approved by DIR in accordance with **Section 11.5** of the Agreement; provided, however that to the extent that any New Services are FTE-based, the Charges for such New Services shall be subject to the terms of **Section 19.7.8**, unless the Parties otherwise agree in writing.

14. Reserved**15. Chargeback**

The MSI is responsible for coordinating all invoicing activity for all other DCS Service Component Providers. The Service Component Providers are responsible for data collection, data integrity, and providing data to the MSI for Chargeback purposes for billable items outside of the base charges on Attachment 2-A. The Service Component Provider will provide the MSI with the following detailed data on a monthly basis to support the Chargeback process:

- HSC/SSC (Section 20.2)
- Pass-through Expenses (Section 17)
- Project Rate Card Charges (Section 19.8 – or whatever it is labeled now)
- Optional Services (Section 20.1)

All of these Chargeback services will be billed under the methodology described in the sections referenced.

16. Reserved**17. Pass-Through Expenses**

Service Provider shall administer and invoice DIR for Pass-Through Expenses in accordance with **Section 11.2** of the Agreement and pursuant to the applicable procedures in the Service Management Manual. No new Pass-Through Expenses may be added without DIR's prior written consent, which it may withhold in its sole discretion. The foregoing notwithstanding, Service Provider shall comply with the terms and conditions of **Section 11.2** of the Agreement with respect to the procurement and pricing of any goods or services which are designated for procurement on a Pass-Through Expense basis. The administration/processing of Pass-Through Expenses by Service Provider will be charged to DIR Customers as a 3% markup of the Pass-Through invoice amount.

18. Managed Third Parties

The Parties' respective financial responsibilities for the Third Party Contracts of Managed Third Parties are provided in **Section 6.6** of the Agreement. In accordance with the foregoing, unless otherwise specified in **Exhibit 22** or agreed in writing by the Parties, Service Provider shall be responsible for the payment of all costs and charges associated with the provision of In-Scope services by Managed Third Parties. In the case of Managed Third Parties for which the charges are not included in the Charges (as provided in **Exhibit 22**), the invoices of such Managed Third Parties shall be treated as Pass-Through Expenses in accordance with **Section 17**.

19. Resource Unit Categories

19.1 Mainframe Services

Mainframe Services are comprised of thirteen (13) distinct Resource Unit Categories. Each of these Resource Unit Categories has a separate Monthly Base Charge and Monthly Resource Baseline. These Monthly Base Charges are set forth in **Attachment 2-A** and these Monthly Resource Baselines are set forth in **Attachment 2-D** and reflect the resources required to provide the Mainframe Services. Such Monthly Base Charges, as adjusted by any ARCs and RRCs, for the Resource Unit Categories for Mainframe Services will fully compensate Service Provider for the performance of the Mainframe Services.

(a) MVS Application CPU Hours

“MVS Application CPU Hours” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category will be the CPU - IBM 2064-1C1 equivalent application hours, or its equivalent, defined as one 2064-1C1 Application CPU Hour that consists of the following:

- Application time;
- Authorized User usage;
- All time associated with data base management system and transaction system address spaces (for example, CICS, IMS, TSO);
- Authorized User usage of SAS, FOCUS, and other similar Software products; and
- Application driven backup time; and
- Application development and maintenance time for DIR or a third party hired by DIR.

Billable Resource Units for CPU - IBM 2064-1C1 equivalent application hours will not include Resource Units which are attributable to Systems Overhead or system level work, including CPU outage or unavailability; CPU wait time; CPU un-captured time; Service Provider system operations support and administrative personnel usage (including usage for billing functions and capacity planning studies) and other Service Provider initiated activities; Service Provider caused lost batch time or other usage attributable to reruns which are due to the fault of Service Provider; and the following system services where controlled by Service Provider, including different products (or with different names) providing equivalent function:

- Basic operating system components (JES2, LLA, VLF, GRS, MSTJCL, IEESYSAS, TRACE, RASP, XCFAS, DUMPSRV, CONSOLE, ALLOCAS, CATALOG, MOUNT, IOSAS, PCAUTH, etc.);
- Service Provider system performance monitor, capacity management, and billing data collection tools (MICS, SMF, RMF, OMEGAMON, SLR, DCOLLECT, EREP, etc.);
- Service Provider system operation and support tools (SMP/E, JOB SCHEDULER, RERUN MANAGER, CONSOLE MANAGEMENT, SAR, RMDS, GDIF, etc.);
- Mainframe based network operations, support, access methods, and standard system print drivers (VTAM, TCP/IP, TCAM, BTAM, NETVIEW, NPM, JES328X, VPS, NETMASTER, etc.);
- Service Provider system-managed storage tools (DFSMS, ICKDSF, TAPE MANAGER, etc.); and
- Service Provider's Problem Management and Change Management Software.

Mainframe CPU utilization will be measured over applicable usage periods and will include only the TCB and SRB components of Mainframe CPU time logged via System Management Facilities (“SMF”) Type 30 records for MVS systems, equivalent facilities for VM systems, or other applicable substitutes at the end of the month.

One (1) Application CPU hour equals one (1) RU. Resource usage for Mainframe CPU will be rounded to the nearest whole hour for measurement, tracking and reporting purposes. For billing purposes, the CPU hour should be rounded to the nearest minute. A more finite measurement may be used if agreed to in writing by DIR and Service Provider.

(i) Classes of MVS CPU Hours

There shall be four (4) Resource Unit Baselines for MVS Application CPU Hours, categorized as Class 1, Class 2, Class 3, and Class 4, respectively. Separate Annual Base Charges and ARC/RRC rates apply to each category.

The following attributes define each of the Classes:

Class 1 – Full Sysplex Data Sharing

- Deployed on and exploiting latest, i.e., “N” technology
- Significant DB2 or IMS workload
- Significant production DB2 or IMS application data sharing

- Significant OLTP cross-system workload parallelism
- Significant usage of cross-system workload balancing utilizing zOS Workload Manager
- No or few application affinities that limit workload balancing

Class 2 – Basic Sysplex

- Little or no application DB2 or IMS data sharing
- Qualifying characteristics for Sysplex licensing from SW vendors

Class 3 – Non-Sysplex

- Stand alone environments that are not participating in a Sysplex

Class 4 – Non-z/OS

- DIR Customers running DOS/VSE

Attachment 2-D establishes baselines by Class of MVS CPU Hours for each DIR Customer receiving mainframe Services. As of the Commencement Date, MVS CPU Hours used by DIR Customers will be deemed to fall into the following Classes:

Class 1: TWC

Class 2: HHSCE
OAG CS
TDCJ
TEA
TxDOT

Class 3: RRC (scheduled to move to Class 2 following transformation)

Class 4: OAG
TYC

(b) **UNISYS MIPS**

“UNISYS MIPS” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category will be measured as MIPS, which is the monthly metered usage of the Unisys Mainframes based on MIPS. Unisys MIPS includes backup services (e.g., equipment, software, labor, and media). The Unisys configuration as of the Effective Date through September 30, 2008 is an IX6802-7. The Unisys configuration as of October 1, 2008 is a Unisys ClearPath Plus Dorado 390 System.

The monthly metered usage will consist of the average MIPS utilization, excluding Systems Overhead tasks, during the month. This will be measured using a standard utility named Utilization Report Utility for OS2200, or another mutually agreeable substitute, which collects the usage data from each Unisys ClearPath Plus Dorado 390 System partition in use. A report will be produced monthly and imported into ITUAM for invoicing.

The monthly metered usage will not include any resource usage attributable to Systems Overhead or system level work, including CPU outage or unavailability; CPU wait time; CPU un-captured time; Service Provider system operations support and administrative personnel usage (including usage for billing functions and capacity planning studies) and other Service Provider initiated activities; Service Provider caused lost batch time or other usage attributable to reruns which are due to the fault of Service Provider; and the following system services where controlled by Service Provider: basic operating system components, system performance monitoring, capacity management, billing data collection tools, system operation and support tools, network operations, support, access methods and standard system print drivers, system-managed storage tools, data replication tools or processes, and components, and Service Provider's problem management and change management software.

(c) **DASD**

(i) **Mainframe Allocated Application DASD**

"Mainframe Allocated Application DASD" shall be a Resource Unit Category. There will be a Resource Unit Category for IBM DASD and an RU for Unisys DASD. The Resource Unit for Mainframe Allocated Application DASD is one (1) gigabyte. Resource Unit usage for this category will be measured as the peak number of gigabytes of DASD allocated by or to Applications and Authorized Users each month. One gigabyte will be equal to 1,000,000,000 bytes. The sum of partial Resource Unit usage in this Resource Category during a calendar month will be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. A more finite measurement may be used if agreed to in writing by DIR and Service Provider. Mainframe Allocated Application DASD will be measured using DCOLLECT, or another mutually agreeable substitute, where DASD is shared, and will include:

- (1) Application space;
- (2) Authorized User space;
- (3) Temporary data sets;

- (4) DASD migration space;
- (5) Spool space;
- (6) Application recovery logs/data sets; and
- (7) Application development and maintenance space.

Allocated Application DASD measured resource usage will exclude Systems Overhead and:

- (1) spare volumes;
- (2) flash copy volumes
- (3) unallocated (free) space;
- (4) any initial DASD migration space for conversion from any bubble/one-time migration space for technology upgrades or refresh DASD technology and/or future conversions, as required;
- (5) system product libraries;
- (6) catalogues;
- (7) system space (e.g., temporary work space, page and swap space, spool space, system parameter and control data sets, and error analysis space); and
- (8) Service Provider-controlled system operation, support and administration data sets (e.g., scheduled system maintenance and error analysis, DLIBS, console logs, contract measurement and billing, system monitors, and system service machine space).

Service Provider shall use proven storage management tools and other commercially reasonable measures to use DASD efficiently and to avoid or minimize usage spikes. As part of the Services, Service Provider shall perform ongoing capacity management and planning and shall notify DIR expeditiously if actual DASD usage exceeds 85% of the agreed upon level of installed DASD. Should this occur, Service Provider shall use commercially reasonable efforts to identify the root cause of such increased DASD usage and implement measures to avoid increasing the level of installed or allocated DASD to the extent possible.

(ii) **UNISYS DASD – GBs**

“UNISYS DASD” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) gigabyte. Resource Unit usage for UNISYS DASD will be measured, tracked and reported as the total amount of DASD storage capacity installed on the Unisys Mainframes excluding gigabytes attributable to replicated data for disaster recovery purposes. One gigabyte will be equal to 1,000,000,000 bytes. The sum of partial Resource Unit usage in this Resource Category during a calendar month will be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. A more finite measurement may be used if agreed to in writing by DIR and Service Provider.

(d) **Application Tapes in Storage**

“Application Tapes in Storage” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) tape reel or cartridge utilized by DIR Customers for DIR Data storage and stored by Service Provider at Data Centers during the calendar month of measurement, excluding Tape Storage attributable to Systems Overhead. This Resource Unit will be measured as of the last day of the applicable month for purposes of determining the Resource Unit count for such month. Application Tapes in Storage are counted for each reel or cartridge containing Application or DIR Data and include:

- (i) transactions, data, Application backups, journals and archives;
- (ii) tape correspondence; and
- (iii) Application development and maintenance tapes.

Application Tapes in Storage will be measured using Tape Mount Management records for MVS systems, or another mutually agreeable substitute for other systems and will exclude tape storage attributable to Systems Overhead and:

- (iv) scratch tapes;
- (v) tapes to support Service Provider-controlled system services, operations, maintenance, and administration; and
- (vi) system managed periodic full storage volume and incremental storage volume backups.

(e) **Virtual Tape Storage**

- (i) **Application Tapes in Storage – Virtual Tape Storage**

“Application Tapes in Storage – Virtual Tape Storage” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) gigabyte of (i) VTS internal high-speed cache storage of application data (disk or buffer), and/or (ii) VTS media storage. This Resource Unit will be measured as of the last day of the applicable month for purposes of determining the Resource Unit count for such month. The sum of partial Resource Unit usage in this Resource Unit Category during a calendar month will be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. One GB will be equal to 1,000,000,000 bytes. A more finite measurement may be used if agreed to in writing by DIR and Service Provider.

(ii) **Application Tapes in Storage – Unisys Virtual Tape Storage**

“Application Tapes in Storage – Unisys Virtual Tape Storage” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) gigabyte of (i) Unisys VTS internal high-speed cache storage of application data (disk or buffer), and/or (ii) Unisys VTS media storage. One gigabyte will be equal to 1,000,000,000 bytes. This Resource Unit will be measured as of the last day of the applicable month for purposes of determining the Resource Unit count for such month. The sum of partial Resource Unit usage in this Resource Unit Category during a calendar month will be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. Application Tapes in Storage – Unisys Virtual Tape Storage will exclude gigabytes attributable to replicated data for disaster recovery purposes and gigabytes stored on media at an offsite media storage location.

(f) **Microfiche - Originals / Duplicates**

“Microfiche – Originals/Duplicates” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) sheet of microfiche produced by Service Provider for DIR Customers for both originals and duplicates, measured monthly. The production process will include the set up effort required for the creation of a single original copy, from which duplicates can be produced.

(g) **CD Production Creates/Re-creates**

“CD Production Creates/Re-creates” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) CD produced by Service Provider for DIR Customers, measured monthly. The production process will include the set-up effort required for the creation of an original CD. The production of duplicate copies of the original CD or from the saved set-up settings will be considered re-creations.

(h) **Optical Storage**

“Optical Storage” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) gigabyte of optical storage capacity in the optical storage device or on-site (excluding blank platters) each month. The sum of partial Resource Unit usage in this Resource Category during a calendar month will be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. One GB will be equal to 1,073,741,824 bytes. A more finite measurement may be used if agreed to in writing by DIR and Service Provider.

19.2 Server Services: Application Servers

There are two (2) distinct Resource Unit Categories for Application Server Services: Application Server Complexity and MSDOS Legacy Servers. In addition to such Resource Unit Categories, there are two (2) additional Charges described in Sections 5.2(c) and 5.2(d) in respect of Application Server Services. The Application Server Complexity Resource Units are classified by Data Center and Site Types and further classified by High, Medium, and Low Complexity. Each of these Resource Unit Categories has separate Monthly Base Charges, ARCs/RRCs and Monthly Resource Baselines.

Resource Unit usage for Application Server Services will be measured on a per Instance basis. The Monthly Base Charges for such Services are set forth in **Attachment 2-A** and the Monthly Resource Baselines for such Services are set forth in **Attachment 2-D** and reflect the required resources to provide the Application Server Services. Depending on the Application Server’s configuration, one (1) or more Instances may run on a single Application Server. Instances in a clustered configuration shall be deemed to be discrete Instances, though each Instance within a cluster shall accommodate a different complexity categorization, depending on DIR Customer requirements.

The applicable Monthly Base Charges, as adjusted by any ARCs and RRCs, for the Resource Unit Categories for Application Server Services will fully compensate Service Provider for the performance of the Application Server Services.

(a) **Application Server Complexity**

One (1) Instance in service on the last day of a calendar month equals one RU. Instances shall be classified by DIR as High, Medium, or Low Complexity, each as determined using the methodology described in **Attachment 2-E**. A new Instance is considered operational when available for use by Authorized Users. Instances are further categorized by “Site Type.” The Site Types are:

- (i) Data Center; and
- (ii) Remote Locations:

- (1) Urban; and
- (2) Rural.

(b) **MSDOS Legacy Servers**

Service Provider shall charge DIR for maintenance and support Services that are provided in respect of MSDOS Legacy Servers at the applicable rate set forth on **Attachment 2-A** on a per event basis each time that a MSDOS Legacy Server fails and such failure requires Service Provider to dispatch Service Provider Personnel to the site at which such Server is located in order to Resolve the underlying problem. There is no Monthly Base Charge for MSDOS Legacy Servers. In addition, the applicable rates set forth on **Attachment 2-A** include all travel and travel-related expenses in connection with the provision of maintenance and support Services for MSDOS Legacy Servers, and such expenses shall not be separately charged to or reimbursed by DIR or any DIR Customer.

(c) **Hardware Maintenance for Existing Equipment**

The “Hardware Maintenance for Existing Equipment” line in **Attachment 2-A** indicates the amounts payable for maintenance and support Services performed in respect of Equipment installed in the DIR Customers’ Production Environments as of the Effective Date.

19.3 Server Services: Utility Servers

There are two (2) distinct Resource Unit Categories for Utility Server Services. Each of these Resource Unit Categories has separate Monthly Base Charges, ARCs/RRCs, and Monthly Resource Baselines. These Monthly Base Charges are set forth in **Attachment 2-A** and these Monthly Resource Baselines are set forth in **Attachment 2-D** and reflect the required resources to support DIR and the DIR Customers. Such Monthly Base Charges, as adjusted by any ARCs and RRCs, for the Resource Unit Categories for the Utility Server Services will fully compensate Service Provider for the performance of the Utility Server Services.

(a) **Utility Server Services -- Email Accounts**

“Email Accounts” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one discrete email identification approved by DIR.

Email Accounts are inclusive of all labor, Utility Server Infrastructure Stack Software, Equipment, maintenance and Systems management to support services and project activities (including installation and discontinuance) required to manage, maintain, and enhance the email environments. Storage and backup for email is not included in the email service, but are part of Allocated Disk Storage either dedicated or shared. Usage will be

provided by running a maintained script against the directory services and providing valid counts at the end of the month utilizing a mutually agreeable tool.

(b) **Utility Server Services -- LAN Attached Devices**

“LAN Attached Devices” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall equal one (1) intelligent workstation, fixed-function terminal (e.g., 3270 or Citrix-type device), printers, docking station, or Kiosk that is attached to a local area network. For the avoidance of doubt, telephones do not constitute Resource Units for purposes of this Resource Unit Category. Resource Unit usage for LAN Attached Devices will be measured, tracked and reported as the number of Devices attached to the LAN at the end of the month utilizing a mutually agreeable tool.

LAN Attached Devices must be inclusive of all labor, Utility Server Infrastructure Stack Software, Equipment, maintenance and Systems management to support services and project activities (including installation and discontinuance) required to manage, maintain, and enhance the following services: file, print, DNS, firewall, authentication, WINS, Citrix, infrastructure management, and domain controllers.

19.4 Server Services: Server Storage

There are five (5) distinct Resource Unit Categories for Server storage Services. Each of these Resource Unit Categories has separate Monthly Base Charges, ARCs/RRCs, and Monthly Resource Baselines. These Monthly Base Charges are set forth in **Attachment 2-A** and these Monthly Resource Baselines are set forth in **Attachment 2-D** and reflect the required resources to support DIR and the DIR Customers. Such Monthly Base Charges, as adjusted by any ARCs and RRCs, for the Resource Unit Categories for Server storage Services will fully compensate Service Provider for the performance of the Server storage Services. The sum of partial Resource Unit usage during a calendar month for each of the Resource Unit Categories described in Subsections (a) through (d) of this Section shall be rounded to the nearest whole gigabyte for measurement, tracking, reporting and billing purposes. A more finite measurement may be used if agreed to in writing by DIR and Service Provider.

(a) **Allocated Disk Storage Dedicated**

“Allocated Disk Storage Dedicated” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall be equal to one (1) GB of dedicated storage on a Server that is allocated to a specific Application or function (i.e., not considered available as free space) allocated to DIR Customers and unavailable for re-allocation to Service Provider for other purposes. One GB will be equal to 1,073,741,824 bytes.

(b) **Allocated Disk Storage Shared**

“Allocated Disk Storage Shared” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall be equal to one (1) GB of storage that is shared by multiple Servers (e.g., SAN, NAS) allocated to DIR and unavailable for re-allocation to Service Provider for other purposes. One GB will be equal to 1,073,741,824 bytes.

(c) **Direct Attached Tape**

“Direct Attached Tape” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall be equal to one (1) utilized GB of Direct Attached Tape excluding any space attributed to Systems Overhead and scratch tapes, tapes to support vendor-controlled system services, operations, maintenance, administration, system managed periodic full storage volume and incremental storage volume backups. One GB will be equal to 1,073,741,824 bytes.

(d) **Centralized Tape**

“Centralized Tape” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall be equal to one (1) GB of Centralized Tape excluding storage and any storage attributed to Systems Overhead and scratch tapes, tapes to support provider controlled system services, operations, maintenance, and administration, system managed periodic full storage volume and incremental storage volume backups. One GB will be equal to 1,073,741,824 bytes.

(e) **Offsite Tape**

“Offsite Tape” shall be a Resource Unit Category. One (1) Resource Unit for this Resource Unit Category shall be equal to one (1) tape device or cartridge utilized by DIR Customers and physically transported and stored at a DIR approved or pre-negotiated offsite (non-DIR Facility) location. For purposes of this Resource Unit Category, each partial Resource Unit usage in this Resource Unit Category during a calendar month shall be considered one (1) Resource Unit for measurement, tracking, reporting and billing purposes.

20. Other Pricing Components

20.1 Optional Capacity on Demand

Pricing Methodology:

Pricing is based on a thirty day minimum resource commitment. A one-time configuration and set-up fee payable as a Transition and Transformation Milestone

covers all Charges associated with initiating the Service for all DIR Customers who chooses to utilize this Service.

Service Component	Small	Medium	Large	Extra Large
Virtual Server				
VCPU	1	4	6	8
GB Memory	2	4	8	15
GB Storage (Base Performance)	75	75	75	75
Internet	Mgt Only	Mgt Only	Mgt Only	Mgt Only
OS				
Suse Linux (Standard)	\$140	\$230	\$363	\$563
Window (2008 Standard)	\$162	\$274	\$429	\$651
Suze Linux (Enterprise Edition)	\$146	\$241	\$380	\$586
Database (Base instance charge +)				
SQL Server Standard	\$55	\$109	\$164	\$219
SQL Server Enterprise	\$226	\$451	\$903	\$1,805
Storage				
Base Performance (NFS/CIFS)	\$0.24 GB/Month			
High Performance (FC)	\$0.60 GB/Month			
Network				
Internet Bandwidth Usage*	\$55 per Mb/s/Month			
Load Balancing (500 Mb/s outbound metered)	\$350/Month			
Load Balancing (Unlimited outbound)	\$750/Month			
Public IP Address	\$10/Month			

* Internet usage of the application or web-server. Administrator access over SSH or RDP has no charge.

Configuration and Set-Up:

The on-boarding process involves setting up users with various roles (workload owner, approver and workload access) for access to the portal for provisioning and managing resources in the capacity on demand environment. The DIR Customers will have the ability to configure available workload templates and setup contracted services. On-boarding also involves setting up customer-specific Network VLANs, firewall rules and policy groups.

20.2 Projects

1. At DIR's request, Service Provider shall provide resources at the applicable rates set forth in **Attachment 2-A**, "Project Rates" tab. In the event that the position does not exist in **Attachment 2-A**, then the Service Provider shall provide staffing at the rates described in the State

of Texas Information Technology Staff Augmentation Contract (DIR-SDD-390). If a specialized resource is required that does not align with the skill set descriptions provided in **Attachment 2-A**, “Project Hours” tab or DIR-SDD-390, Service Provider will charge for those resources on a Pass-Through basis if the resources are staffed from a third party or as a New Service if they are Service Provider personnel.

2. Service Provider shall provide a monthly report showing all hours worked by individual, including each project for which such work was done. In addition, Service Provider shall include in such report the identity of all Service Provider Personnel who are assigned to perform work on Project activities.
3. Service Provider shall not be entitled to reimbursement of travel and living expenses in connection with Project Services except for travel between DIR Sites for the provision of Services and such other travel and living expenses that are expressly approved in advance by DIR on a case-by-case basis. Any travel and living expenses to which Service Provider is entitled to reimbursement must be reasonable and limited to out-of-pocket expenses pre-approved by DIR.
4. For Project Services, if DIR authorizes the addition of resources with respect to any future work, Service Provider shall use commercially reasonable efforts to provide such additional resources in accordance with DIR’s authorization, but in any case within thirty (30) days of the date of DIR’s authorization. Service Provider shall accommodate DIR’s needs for shorter notification periods for ramp up of resources in accordance with the governance process agreed upon by the Parties. Service Provider’s Charges to DIR shall reflect the addition of any resource as of the date such resource commences performance of Project Services.

For the avoidance of doubt, Service Provider shall under no circumstances charge for Project resources either marked as non-billable in attachment 1 or utilized to remedy Service Provider performance failures, and any such resources so utilized shall be excluded from any calculation of Charges.

20.3 Miscellaneous Server Services

Miscellaneous Server Services includes Resource Unit-based services, optional services, and the Software Service Charge (SSC).

There are three (3) distinct Resource Unit Categories for miscellaneous server services. Each of these Resource Unit Categories has separate Monthly Base Charges, ARCs/RRCs, and Monthly Resource Baselines. These Monthly Base Charges are set forth in **Attachment 2-A** and these Monthly Resource Baselines are set forth in **Attachment 2-D** and reflect the required resources to support DIR and the DIR Customers. Such Monthly Base Charges, as adjusted by any ARCs and RRCs, for the Resource Unit Categories for these Services will fully compensate Service Provider for the performance of these Services.

(a) **Hardware Service Charge (HSC) (Service Provider-owned assets)**

The Charges shall include a Hardware Service Charge (HSC) to compensate Service Provider for Server Asset Plan purchases as provided in this provision. This Charge applies to Service Provider purchases of new Servers for DIR Customers' dedicated use where the support is charged by the Service Tier Matrix RU (STM Servers). The HSC shall be determined based on the Capital Expenditures, hardware maintenance, and software costs that are actually paid by Service Provider. The HSC shall be charged to DIR based on the prorated monthly Capital Expenditures made for STM Server Equipment, either new or refresh, required by Service Provider following the Effective Date, specifically excluding STM Servers that are part of the existing Equipment in service as of the Effective Date. Service Provider will use commercially reasonable efforts to obtain the lowest possible discounted prices for Servers and related equipment for the benefit of DIR, including utilization of DIR purchase arrangements in accordance with the Agreement. Notwithstanding anything to the contrary herein, (a) DIR shall have the option of procuring STM Servers directly from Third Parties and Service Provider shall perform the Services with such STM Servers without charging any HSC with respect to such STM Servers, subject to the Operational Change Control Procedures to ensure such STM Servers are of the same character and functionality as then-utilized by Service Provider, and are covered by appropriate full parts, warranty and maintenance coverage for the full sixty (60) month Term of the Server; and (b) DIR shall have the option of procuring STM Servers directly from Service Provider under this Agreement only to the extent DIR obtains Service Provider's support of such STM Server pursuant to the terms of this Agreement except to the extent otherwise mutually agreed.

For purposes of this Section, the following terms shall have the following meanings:

"Capital Expenditures" means the amounts actually paid by Service Provider and approved in advance by DIR for STM Servers acquired or leased by Service Provider after the Effective Date for dedicated use by DIR, any DIR Customer(s), or Other Recipients, including all associated peripheral Equipment, applicable sales and use taxes, freight and, only for new STM Servers (and not STM Server Upgrades or refreshed STM Servers), installation charges. For purposes of the HSC, lease payment streams under leases for STM Servers that are procured by Service Provider after the Effective Date for dedicated use by any DIR Customer(s) shall be converted to a single Capital Expenditure by taking the net present value of such lease payments, using the then-current value of "s" defined for the calculation below as the applicable service charge rate.

“**Maintenance Costs**” means the amounts actually paid by Service Provider and approved in advance by DIR for the provision of maintenance and support Services in respect of STM Servers and peripheral Equipment used in connection with such STM Servers that are acquired by Service Provider after the Effective Date.

The HSC payable by DIR shall be calculated each month following the Commencement Date, and shall replace the base charge amounts HSC found in **Attachment 2-A**.

Capital Expenditures shall be included in the HSC calculation on a prorated basis over a sixty (60) month period beginning in the month following the month during which the applicable STM Server was installed and available for DIR Customer’s business processing in a DIR Customer’s Production Environment in accordance with the Service Management Manual. Maintenance Costs shall be included in the calculation beginning in the month following the month in which the the applicable STM Server was installed and available for DIR Customer’s business processing in a DIR Customer’s Production Environment in accordance with the Service Management Manual; provided, however, that where Service Provider pre-pays for a benefit that will be received over a period of time (e.g. pre-paid maintenance services), such amount shall be included in the calculation on a prorated basis over such time period, but in no event greater than a twelve month period of time (e.g. if Service Provider pays \$120 in January for annual maintenance agreement, Service Provider will spread such cost over 12 months). No Capital Expenditures or Maintenance Costs shall be included in the calculation with respect to any STM Server (a) that is not installed in a DIR Customer’s Production Environment (e.g. the applicable order for such Server is cancelled), (b) that remains installed in a DIR Customer’s Production Environment following the end of its applicable sixty (60) month payment period (except as expressly provided in this Section below) or (c) that is not dedicated to use by DIR or DIR Customer except to the extent otherwise agreed, subject to DIR’s responsibility to pay cancellation fees as set forth below.

HSC Calculation:

The monthly charges for asset acquisitions in a given month (HSC) will equal the following:

$$\text{Monthly HSC} = (P * [(s/12*(1+s/12)^n)/((1+(s/12))^n-1)] + [(xx/12) * 0.5P] + M)$$

Where:

- Monthly HSC = the monthly Hardware Service Charge
- P = the prorated monthly amount of actual Capital Expenditures. Service Provider will use commercially reasonable efforts to obtain the lowest possible commercially available discounted prices for the Capital Expenditures, including through DIR’s contracts as set forth in the Agreement

- M = the total amount of Maintenance Costs that were actually paid during the applicable month, to the extent required beyond the warranty period
- n = equals 60 months (the finance term)
- s = equals the service charge rate of 7% for a 60 month lease;
- XX = the then-applicable personal property tax at time of purchase; and
- Current benchmark rates can be found at:
<http://www.federalreserve.gov/releases/h15/update/>

For any STM Server which supports a single DIR Customer, whether it is single or multi-instance, the calculation above is made per Server, each of which is billed to the applicable DIR Customer. HSC for STM Servers that support multiple DIR Customers are handled as follows:

“Multi-DIR Customer Servers” means any STM Server that has instances from at least two DIR Customers or is installed with the intent to host instances from two or more DIR Customers.

“Multi-DIR Customer HSC Cost Pool” means the sum of the Monthly HSC for all Multi-DIR Customer Servers.

“Multi-DIR Customer Memory Allocation Pool” The greater of i) the sum of the total memory in all Multi-DIR Customer Servers in production, multiplied by 80%, or ii) The sum of the total dedicated memory allocated to DIR Customer instances that reside on Multi-DIR Customer Servers.

“Multi-DIR Customer Memory Unit Rate” The Multi-DIR Customer HSC Cost Pool divided by the Multi-DIR Customer Memory Allocation Pool (for example, if the Multi-DIR Customer HSC Cost Pool was \$100,000 in a month, and the Multi-DIR Customer Memory Allocation Pool was 10,000 GB, then the Multi-DIR Customer Memory Unit Rate would be \$10 per GB)

Each DIR Customer pays for the Multi-DIR Customer Server hardware that it uses based on the amount of dedicated memory allocated to that DIR Customers instances which reside on Multi-DIR Customer Servers. The amount of computing resources (e.g., CPU) that an instance receives at a given level of memory is further described in the SMM.

It is the Service Provider’s responsibility to manage the underlying pool of hardware to be as close to 80% utilized as possible to ensure recovery of Service Provider costs. Utilization of individual Servers above 80% requires the approval of DIR.

At DIR’s direction, Service Provider will separate both the Multi-DIR Customer Cost Pool and Multi-DIR Customer Memory Allocation Pool into subsets in order to calculate separate Multi-DIR Customer Memory Unit Rate for different

categories of Multi-DIR Customer Servers. At a minimum, DIR anticipates separate Multi-DIR Customer Memory Unit Rates for Unix and Intel instances.

The Monthly Invoice will include the HSC calculation for each month and shall also identify the amount of Capital Expenditures and Maintenance Costs that were actually paid during each month. Copies of relevant Third Party invoices and such other information reasonably requested by DIR will also be included with such invoices.

Service Provider shall obtain DIR's approval prior to incurring any Capital Expenditures (including the Capital Expenditure amounts for leased Servers) or Maintenance Costs. If Service Provider does not obtain DIR's prior approval in respect of any Capital Expenditures or Maintenance Costs, then such costs shall not be included in the HSC and Service Provider shall be responsible for such costs.

If DIR requests Service Provider to remove a STM Server that is not a Multi-DIR Customer Server from the DIR Customers' Production Environments prior to the end of its applicable sixty (60) month payment period, Service Provider shall use commercially reasonable efforts to re-deploy such STM Server in any environment, including in Service Provider's environment (internally or in support of other customers), and DIR and Service Provider shall jointly exercise commercially reasonable efforts to redeploy such STM Server for use by DIR Customers. Any remaining HSC for that STM Server shall continue until the earlier of (a) such time as Service Provider is able to re-deploy such Server or (b) end of the applicable sixty (60) month payment period for such Server, using a discount rate equal to the applicable service charge rate for that Server as included in the HSC calculation, provided that Service Provider continues to use commercially reasonable efforts to re-deploy such Server as set forth above, or (c) in the event such asset is no longer being used because of a termination of this Agreement, at such time that DIR is no longer using the asset for receipt of Services from Service Provider, in which case DIR shall purchase the asset as set forth in (b) hereof. To clarify, the provisions of this Section shall apply to HSC, and not the provisions governing the procurement of Equipment as set forth in **Section 6** of the Agreement. With respect to any STM Server that DIR elects, in DIR's sole discretion, to keep installed in a DIR Customer's Production Environment following the end of its applicable sixty (60) month payment period, only the personal property taxes actually paid by Service Provider in respect of such STM Server (and not any other Capital Expenditures) and any ongoing Maintenance Costs that are actually paid by Service Provider in respect of such STM Server shall continue to be included in the HSC calculations until such STM Server is refreshed or is removed from the DIR Customers' Production Environments.

If DIR cancels an order for a previously approved HSC asset, and such products cannot be returned to the vendor, Service Provider shall assist DIR with the redeployment of the HSC asset, as appropriate, within either DIR or within

Service Provider (internally or for its other customers), as set forth above. In the event such asset cannot either be returned to the vendor or redeployed, DIR shall be responsible for any commercially reasonable restocking fees or other charges resulting from the cancellation request (i.e. freight). The designated DIR representative must approve all requests for the cancellation of approved purchases in writing. One-time charges (other than those incurred upon the initial procurement, as set forth above) are not included in the monthly HSC calculation and will be invoiced separately, to the extent mutually agreed.

(b) Server Software Services Charge (SSC)

The Charges shall include any Software procured by Service Provider pursuant to the Software Charge methodology, to compensate Service Provider for the Software procured on DIR's behalf as provided in this provision. The Software Services Charge is a methodology for DIR to obtain Software for its dedicated use on STM Servers utilized by Service Provider in the provision of the Services. The types of Software which DIR may obtain pursuant to this methodology are listed as 'Software Charge' in the Financial Responsibilities Matrix and **Exhibit 12**. Software Charges shall be determined based on the Software Expenditures that are actually paid or incurred by Service Provider, in addition to the uplift charged for spreading the payment of such Software Expenditures over twelve months. Service Provider will use commercially reasonable efforts to obtain the lowest possible discounted prices for such Software for the benefit of DIR, including utilization of DIR purchase arrangements in accordance with the Agreement. Notwithstanding anything to the contrary herein, (a) DIR shall have the option of procuring such Software directly from Third Parties; (b) DIR shall have the option to pay upon delivery for such Software on a one time basis at cost with no markup, rather than spreading the payment over twelve months; and (c) DIR shall have the option of procuring such Software directly from Service Provider under this Agreement only to the extent DIR obtains Service Provider's support of such Software pursuant to the terms of this Agreement (except to the extent otherwise mutually agreed).

The Software Charge should include the amounts actually paid or incurred by Service Provider. Such amounts actually paid or incurred and any other associated Software Charges must be approved in advance by DIR for license fees and the provision of maintenance and support Services in respect of the Software which is installed on STM Servers and categorized in the "Server Software" tab of **Attachment 2-B** as "Service Tier Matrix Servers - DIR Customer Request" and "Utility Servers – DIR Customer Request."

For purposes of this Section, the following terms shall have the following meanings:

“Software Expenditures” means the amounts actually paid or incurred by Service Provider and approved in advance by DIR for license fees and the provision of maintenance and support Services in respect of the Software which is installed on STM Servers and is categorized in the “Server Software” tab of **Attachment 2-B** as “DIR Customer Request.”

The Software Service Charge payable by DIR shall be calculated each month following the Commencement Date.

Software Expenditures shall be included in the Software Charge calculation on a prorated basis over a twelve (12) month period beginning in the month during which the applicable Software was installed in a DIR Customer’s Production Environment in accordance with the Service Management Manual. Software Costs shall be included in the calculation for the month during which such amounts are actually paid or incurred by Service Provider; provided, however, that where Service Provider pre-pays for a benefit that will be received over a period of time (e.g. pre-paid maintenance services), such amount shall be included in the calculation on a prorated basis over such time period, but in no event greater than a twelve month period of time (e.g. if Service Provider pays \$120 in January for an annual software license or annual maintenance agreement, Service Provider will spread such cost over 12 months).

Software Charge Calculation:

The monthly charges for Software Charge acquisitions in a given month will equal the following:

Monthly Software Charge= Software Expenditures x 1.025 divided by twelve (12).

The Monthly Invoice will include the Software Expenditures that were actually paid or incurred during each month. Copies of relevant Third Party invoices and such other information reasonably requested by DIR will also be included with such invoices.

Service Provider shall obtain DIR’s approval prior to incurring any Software Expenditures. If Service Provider does not obtain DIR’s prior approval in respect of any Software Expenditures, then such costs shall not be included in the Software Charge and Service Provider shall be responsible for such costs.

If DIR requests Service Provider to remove Software from the DIR Customers’ Production Environments prior to the end of its applicable twelve (12) month payment period (which includes DIR’s partial or whole

termination of the Agreement), such Software Charges shall continue until the end of the applicable twelve (12) month payment period for such Software, using a discount rate equal to the applicable service charge rate for that Software. DIR shall be responsible for paying all Software Charges on such Servers in full, no later than the last date on which such Software Charge is no longer applicable. To clarify, the provisions of this Section shall apply to Software procured pursuant to the Software Charge, and not the provisions governing the procurement of Software as set forth in **Section 6** of the Agreement.

20.4 Co-location Services

Co-location Services are comprised of three (3) distinct Resource Unit Categories. Each of these Resource Unit Categories has a separate Monthly Base Charge and Monthly Resource Baseline. These Monthly Base Charges and Monthly Resource Baselines are set forth in **Attachment 2-A** and reflect the resources required to provide the Co-location Services.

(a) Facility Charges

Facility charges are inclusive of data center floor space, overhead labor components for physical security, Project Management Office (e.g. financial billing, utility calculations, Change Management, Disaster Recovery Plan, Problem Management, and business controls), and all services described in **Attachment 1** that are not identified in this **Section 20.4** as having separate charges.

Facility charges are based on the number of co-located equipment cabinets comprising the DIR Customer IT environments. It is understood the DIR Customer IT environments may be dynamic in nature and the number of cabinets may vary and that additional cabinets may be needed for DIR Customers receiving co-location services. Therefore, facility charges will be calculated based on the actual number of cabinets co-located at the Consolidated Data Centers. If a cabinet is co-located at a Consolidated Data Center for a portion of a calendar month, then the charges will be calculated on a prorated basis.

(b) Utility Charges

Utility charges are inclusive of all electrical, heating and cooling costs. It is understood the DIR Customer IT environments may be dynamic in nature and additional equipment may be needed. Therefore, utility charges will be calculated based on the actual utility consumption for the DIR Customer IT environments co-located at the Consolidated Data Centers.

Prior to the start the WITO Period, Service Provider will review the electric utility rates in effect at the Consolidated Data Centers and the utility consumption for each co-located environment therein. Based on any changes in the aforementioned electric utility rates and/or utility consumption, Service Provider will provide DIR with the proposed adjustments to the utility charges based on April 2012 actuals.

The electric utility rates in effect at the time any new DIR Customer IT environment is co-located at the Consolidated Data Centers or any additions are made to any existing co-located DIR Customer IT environment therein, shall apply to the new or changed environment. For co-location of new DIR Customer IT environments at the Consolidated Data Centers, Service Provider will provide DIR with the utility usage amounts as part of the initial pricing proposal. Prior to the addition of equipment to any existing co-located DIR Customer IT environment at the Consolidated Data Centers, Service Provider will provide DIR with the additional utility usage for such equipment.

(c) **Media Charges**

Media charges are fixed monthly charges based on the following factors for each DIR Customer IT environment: media type, the number of daily tape changes, the number of tapes sent to/retrieved from off-site storage, all labor, off-site storage, destruction or disposal of tapes, and new or replacement tapes.

Service Provider may revise the media charges, upon DIR's approval, for the applicable DIR Customer IT environment in the case where a "Do Not Destroy" order is imposed.

(d) **Co-location Services One-Time Charges**

(i) **Reserved**

(ii) **Migration Services**

The Charges may include a one-time charge for installing electrical power drops and LAN/WAN/SAN cabling at the rates as set forth in **Attachment 2-A**. In addition to the installation of power drops and LAN/WAN/SAN cabling, Service Provider may provide additional co-location migration services as requested by DIR Customer or Third Party.

Prior to the commencement of any co-location migration services, Service Provider shall submit a Project proposal to DIR and obtain DIR's approval in accordance with the Agreement. The one-time

charges shall be billed to DIR upon DIR's Acceptance of the completion of such services.

20.5 ASU Volumes and Allowance for ASU Services

In exchange for the use of the State Data Center, an allowance for services in support of Angelo State University shall be calculated each month in accordance with this Section. Charges for services in excess of such allowance shall be calculated after the completion of each month as follows:

ASU Billable Charges = (ASU Charges – ASU Allowance)

Where:

“**ASU Billable Charges**” is the total monthly amount of the Resource Unit-based services provided to ASU in excess of the ASU Allowance;

“**ASU Charges**” is the total monthly amount of the ASU Resource Volumes multiplied by the Chargeback Blended Rates for each applicable Resource Unit Category; and

“**ASU Allowance**” is the total monthly amount of the ASU Allowance Volumes multiplied by the Chargeback Blended Rates for each applicable Resource Unit Category.

For purposes of calculating the ASU Charges and ASU Allowance, the following shall apply:

“**ASU Allowance Volumes**” is the pre-defined Resource Unit allowance volumes for certain Resource Unit Categories set forth in the “ASU” tab of **Attachment 2-D**;

“**ASU Resource Volumes**” is the number of Resource Units for each Resource Unit Category actually used by ASU during the month for which ASU Charges are calculated; and

“**Chargeback Blended Rate**” is the unit rate for each Resource Unit Category calculated by dividing the actual chargeback charges for each Resource Unit Category by the quantity of Resource Units actually used for each Resource Unit Category, excluding the ASU Resource Volumes. The actual chargeback charges for each Resource Unit Category are the Monthly Base Charges, excluding ASU Charges, plus Additional Resource Charges minus Reduced Resource Charges.

Service Provider shall only invoice DIR for the ASU Billable Charges that are greater than zero. In the event the ASU Billable Charges are less than zero, no charges, adjustments or credits shall be issued by the Service Provider to DIR. For any additional services requested by ASU which meet the definition of New

Services, Service Provider shall submit a proposal in accordance with **Section 11.5** of the Agreement.

The following example for calculating the ASU Billable Charges is provided for illustrative purposes.

Resource Unit Category	Chargeback Blended Rate	ASU Allowance Volumes (<u>Attachment 2-D</u>)	ASU Resource Volumes
Data Center: UNIX: High Complexity Service Level	\$937.60	6	7
Data Center: UNIX: Medium Complexity Service Level	\$849.06	9	15
Server Storage: Allocated Disk Storage - Shared GB	\$1.30	6,000	3,000
Server Storage: Allocated Disk Storage – Dedicated GB	\$1.60	0	2,000

- Calculate the ASU Allowance
 $\$21,067.14 = (\$937.60 * 6) + (\$849.06 * 9) + (\$1.30 * 6,000)$
- Calculate the ASU Charges
 $\$26,399.10 = (\$937.60 * 7) + (\$849.06 * 15) + (\$1.30 * 3,000) + (\$1.60 * 2,000)$
- Calculate the ASU Billable Charges
 $\$5,331.96 = \$26,399.10 - \$21,067.14.$

In the event that DIR makes changes to its Chargeback Blended Rate methodology which would adversely impact the amounts collected by Service Provider under this provision, the Parties will mutually agree to equitably modify this provision.

20.6 Interim Period Services Charge

In consideration for the performance of the WITO services, ACS shall be entitled to a one-time fee, the “Interim Period Services Charge”. The Interim Period Services Charge will be in addition to the Monthly Base Charge and the other charges specified in Attachment 2. The Interim Period Services Charge will be equal to \$1,200,000. Fifty percent (50%) of the Interim Period Services Charge will be due on the invoice for May services and the remaining amount will be due on the invoice for June services.

The Interim Period Services Charge will be billed to each agency as follows. The Interim Period Cost Percentage is calculated as the Interim Period Services Charge divided by the sum of Base Charges, ARCs and RRCs, COLO Charges, and the ASU Billable Charges.

Each agencies' share of the Interim Period Services Charge will be calculated as the Interim Period Cost Percentage multiplied by the sum of each agencies' Base Charges, ARCs and RRCs, COLO Charges, and the ASU Billable Charges.